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ABSTRACT

This document provides statistical information and a brief narrative analysis of public and private expenditures on education institutions for all of the G-7 countries. The G-7 countries are: Canada, France, Japan, Germany, Italy, United Kingdom, and the United States. Statistical tables reveal the public and private expenditures on education institutions by level of education and country for 1991. A bar graph illustrates the public and private expenditures on education institutions in G-7 countries as a percentage of Gross Domestic Product (GDP) for 1991. In most G-7 countries, expenditures on higher education that came from public sources were more than twice the amount of those that came from private sources. In all of the G-7 countries, expenditures per student were larger for higher education than for primary/secondary education. The statistics include all institutions (public and private) with the exception of Germany and Italy, which include only public institutions, and the United Kingdom, which includes public and government-dependent private institutions. MJF

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June 1998

International comparisons of expenditures for education

The portion of total financial resources that a country chooses to invest in education is a critical decision that raises many issues for debate, for example, whether and to what extent education costs should be borne by the public or private sector. International comparisons of expenditures for education show considerable variation across countries in the share of national resources devoted to education, the sources (public or private) of funds spent on education, and the levels of education to which funds are allocated.

- In 1993, total expenditures on education institutions in the United States were 4.2 percent of the Gross Domestic Product (GDP) for the primary-secondary grade level, 2.5 percent for higher education, and 6.8 percent for all levels combined. While Canada and France spent a larger fraction for primary-secondary education, of the G-7 countries, only Canada spent a larger fraction than the United States for higher education and for all levels combined.
- In most G-7 countries, expenditures on higher education that came from public sources were more than twice the amount of those that came from private sources. However, in both the United States and Japan, the percentage of GDP spent on higher education that came from private sources (1.2 and 0.6 percent, respectively) was similar in size to the percentage that came from public sources (1.3 and 0.4 percent, respectively). For primary/secondary education, the proportion of GDP that came from private sources was highest in Germany, at 0.9 percent.
- In all of the G-7 countries, expenditures per student were larger for higher education than for primary/secondary education. In the United States and the United Kingdom, the average amount spent per student in higher education was more than twice the amount spent per primary-secondary student, compared to less than 10 percent higher in Italy.

Public and private expenditures on education institutions,¹ by level of education and country: 1993

G-7 country	As a percentage of GDP					Per student ²			
	Primary/secondary		Higher education		All levels and sources combined ⁵	Constant 1993 U.S. dollars ³		As a percentage of GDP per capita	
	Public sources ⁴	Private sources ⁵	Public sources ⁴	Private sources ⁵		Primary/ secondary ⁷	Higher education	Primary/ secondary ⁷	Higher education
Canada	4.3	0.3	2.2	0.4	7.3	—	\$11,132	—	57.6
France	4.0	0.3	0.9	0.2	6.1	\$4,649	6,033	24.9	32.3
Germany	3.0	0.9	0.9	0.1	5.9	5,290	7,902	28.6	42.8
Italy	3.6	0.0	0.8	0.1	5.1	4,821	5,169	27.2	29.2
Japan	3.0	0.3	0.4	0.6	4.9	4,175	7,556	20.5	37.3
United Kingdom	3.9	—	0.9	0.0	5.0	3,915	8,241	22.6	48.6
United States	3.8	0.4	1.3	1.2	6.8	5,987	14,607	24.4	60.2

— Not available

¹ Includes all institutions (public and private) with the exception of Germany and Italy, which include only public institutions, and the United Kingdom, which includes public and government-dependent private institutions.

² Per-student expenditures were calculated based on full-time-equivalent (FTE) enrollment figures, and expenditures from both public and private sources, with the exception of the United Kingdom, for which private source data were unavailable.

³ Purchasing Power Parity (PPP) indices were used to convert other currencies to U.S. dollars. Because the fiscal year has a different starting date in different countries, within-country Consumer Price Indices (CPIs) were used to adjust the PPP indices to account for inflation. See the supplemental note to this indicator for further explanation.

⁴ Public expenditures are defined as direct public expenditures on education institutions plus public subsidies to households and other private entities for education institutions (e.g., tuition and fees), excluding other public aid to students and households (e.g., subsidies for student living costs).

⁵ Private expenditures are defined as private payments from households and other private entities to education institutions, minus any portion derived from public subsidies.

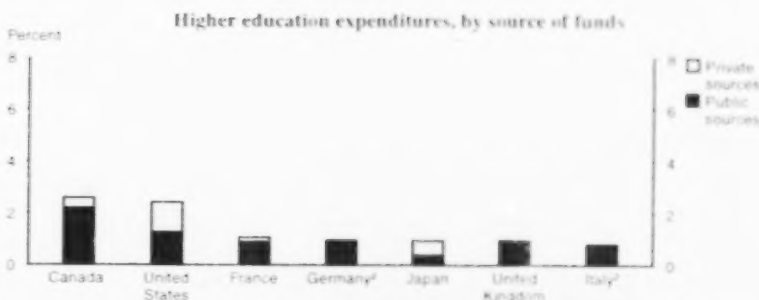
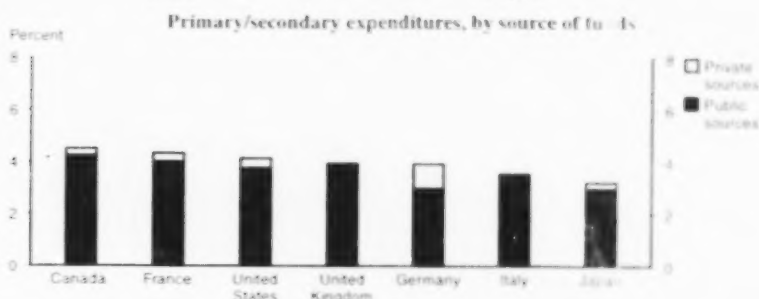
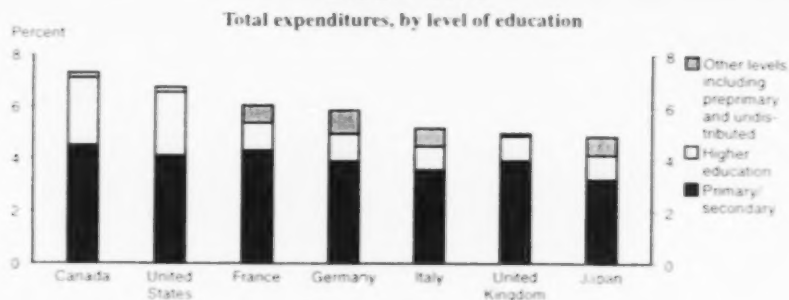
⁶ "All levels combined" includes expenditures on preprimary education and funds classified as "undistributed," a classification reserved for enrollments, expenditures, or programs that cannot be unambiguously assigned to International Standard Classification of Education (ISCED) defined levels. Examples of undistributed education can include nongraded special education or recreational nondegree adult education programs.

⁷ Primary/secondary per-student expenditures were calculated by adding primary and secondary FTE enrollments and by dividing the total FTE into the total expenditures. See the supplemental note to this indicator for further explanation.

⁸ Total expenditures in the United Kingdom do not include primary/secondary expenditures from private sources, for which data were unavailable.

SOURCE: Organization for Economic Co-operation and Development, Center for Educational Research and Innovation, *Education At A Glance: OECD Indicators*, 1996.

Public and private expenditures on education institutions¹ in G-7 countries as a percentage of GDP: 1993



¹ Includes all institutions (public and private) with the exception of Germany and Italy, which include only public institutions, and the United Kingdom, which includes public and government-dependent private institutions.

² Private sources are less than 0.2 percent, and therefore the percentages are not discernable in the graph.

SOURCE: Organization for Economic Co-operation and Development, Center for Educational Research and Innovation, *Education At A Glance: OECD Indicators, 1995*.

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